

Identification Analysis of Influencing Factors of Construction Business Success: A Case of the Malaysian Construction Industry

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Abstract

Although the construction industry is one of the important components of the nation's economic development, nevertheless, a nation can only fully benefited from the construction activities if it has an efficient and effective construction industry. Against the traditional conceptions of success in the construction industry, this paper attempts to explore the factors that influence the success of the construction enterprise from the viewpoint of an entrepreneurship perspective. In this regard, the importance factors to the construction enterprise success were determined based on the entrepreneurship literature and experts' opinions, and categorized into four dimension and eighteen factors. Then, the Decision Making Trial and Evaluation Laboratory (DEMATEL) technique was applied to explore the causal relationships among the factors. The results revealed that three factors were of great importance to the success of the construction enterprise, namely 'Business and Management Competencies', 'Technical Competencies', and 'Technological Competencies'. It is advised that if the construction enterprises desire to obtain high potential in business success, they should focus on these factors by enhancing their practice in this areas.

Keywords: Construction business, success factors, entrepreneurship, DEMATEL technique.

Introduction

Although the construction industry is one of the important components of the nation's economic development, nevertheless, a nation can only fully benefited from the stimulus brought by the construction activities to its economy if it has efficient and effective construction industry (Ofori, 2012). In the context of the Malaysian construction industry, for example, the Government of Malaysia has played a significant role in developing the construction industry by introducing several programs such as the Construction Industry Master Plan and the Construction Industry Transformation Plan, aimed at strengthening the industry. However, those efforts are at the industry-level. It is argued that strengthening the industry-wise must be parallel with reinforcing the construction enterprises organisational-wise in order to gainfully benefit from the industry.

One means to accomplish this, which this study means, is by providing a set of factors that could guide the construction enterprise in achieving success in business. Hofstrand (2010) asserted that successful entrepreneurs should have a detailed knowledge of the key factors needed for their success. These indicators may represent themselves on a smaller scale within organisational-wise. Nevertheless, on a large scale, they are affected the larger components of the nation's